

SDG&E Service Area
Low Price Case
End-Use Natural Gas Price Forecast Summary

1995 \$ per mcf

Year	Res	Core		Noncore				System	
		Comm	Indust	Comm	Indust	TEOR	Cogen	EG	Average
1990	6.43	6.61	6.40	4.41	4.41	0.00	3.71	3.71	5.06
1991	6.05	6.13	6.13	3.88	3.88	0.00	3.25	3.25	4.61
1992	6.45	6.67	6.67	4.02	4.02	0.00	3.20	3.20	4.71
1993	6.85	6.87	6.44	3.81	3.96	0.00	3.33	3.33	4.97
1994	6.89	6.71	5.53	3.60	3.90	0.00	3.04	3.04	4.88
1995	6.44	6.32	5.31	2.71	2.74	0.00	2.18	2.18	4.01
1996	6.65	6.24	5.00	3.00	3.02	0.00	2.53	2.53	4.40
1997	6.86	6.16	4.70	3.30	3.30	0.00	3.05	3.05	4.54
1998	6.35	5.66	4.21	2.81	2.81	0.00	2.63	2.63	4.05
1999	5.92	5.22	3.76	2.29	2.29	0.00	2.07	2.07	3.65
2000	5.93	5.24	3.79	2.26	2.26	0.00	2.05	2.05	3.61
2001	5.97	5.28	3.83	2.30	2.30	0.00	2.09	2.08	3.65
2002	5.78	5.11	3.74	2.33	2.33	0.00	2.12	2.11	3.32
2003	5.83	5.16	3.78	2.36	2.36	0.00	2.13	2.13	3.41
2004	5.77	5.12	3.77	2.38	2.38	0.00	2.16	2.16	3.36
2005	5.78	5.13	3.78	2.40	2.40	0.00	2.18	2.18	3.42
2006	5.70	5.06	3.75	2.41	2.41	0.00	2.20	2.20	3.35
2007	5.67	5.05	3.77	2.47	2.47	0.00	2.26	2.25	3.34
2008	5.62	5.00	3.76	2.48	2.48	0.00	2.28	2.27	3.32
2009	5.61	5.00	3.77	2.50	2.50	0.00	2.30	2.29	3.37
2010	5.55	4.95	3.73	2.48	2.48	0.00	2.29	2.28	3.35
2011	5.50	4.91	3.72	2.50	2.50	0.00	2.31	2.30	3.32
2012	5.48	4.89	3.72	2.52	2.52	0.00	2.32	2.32	3.33
2013	5.44	4.86	3.71	2.53	2.53	0.00	2.34	2.34	3.32
2014	5.42	4.85	3.71	2.55	2.55	0.00	2.36	2.36	3.32
2015	5.41	4.85	3.72	2.57	2.57	0.00	2.38	2.38	3.36
2016	5.41	4.84	3.74	2.60	2.60	0.00	2.42	2.41	3.38
2017	5.39	4.83	3.74	2.62	2.62	0.00	2.44	2.44	3.39

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

The Low Price Case was prepared by the California Energy Commission for the ***1997 Fuels Report*** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

The following notes provide basic assumption in preparing the natural gas price forecast.

Notes:

- 1990-1995 total prices are historical , obtained from QFER 7. 1996 is interpolated.
- Commodity: Nontransportation component of the California natural gas border price. Fuel costs are included.
- Transport: Weighted average interstate transport cost to deliver natural gas to the California border. Fuel is not included.
- ITCS An instate charge to recover interstate transition charges resultant from implementation of FERC Order 636.
- SDG&E Margin: Distribution and administration costs associated with running the SDG&E pipeline system and transmission charges to SoCal Gas.
- PITCO/POPCO: Global settlement associated with PITCO and POPCO long term supply contracts.
- Regulatory: Includes balancing accounts, social, environmental and other regulatory accounts.

**SDG&E Service Area
Low Price Case
Residential Core Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges				Total
	Commodity	Transport	ITCS	Margin	Pitco/Popco	Regulatory	
1990							6.43
1991							6.05
1992							6.45
1993							6.85
1994							6.89
1995							6.44
1996							6.65
1997	2.08	0.23	0.03	4.24	0.00	0.27	6.86
1998	1.58	0.26	0.03	4.21	0.00	0.27	6.35
1999	1.11	0.27	0.03	4.24	0.00	0.27	5.92
2000	1.13	0.29	0.03	4.21	0.00	0.27	5.93
2001	1.15	0.31	0.03	4.21	0.00	0.27	5.97
2002	1.19	0.30	0.02	3.99	0.00	0.27	5.78
2003	1.22	0.32	0.02	4.00	0.00	0.27	5.83
2004	1.24	0.33	0.01	3.91	0.00	0.27	5.77
2005	1.26	0.35	0.01	3.89	0.00	0.27	5.78
2006	1.28	0.36	0.01	3.78	0.00	0.27	5.70
2007	1.30	0.41	0.00	3.69	0.00	0.27	5.67
2008	1.32	0.42	0.00	3.60	0.00	0.27	5.62
2009	1.34	0.43	0.00	3.57	0.00	0.27	5.61
2010	1.36	0.40	0.00	3.51	0.00	0.27	5.55
2011	1.39	0.41	0.00	3.44	0.00	0.27	5.50
2012	1.41	0.41	0.00	3.39	0.00	0.27	5.48
2013	1.43	0.42	0.00	3.32	0.00	0.27	5.44
2014	1.45	0.42	0.00	3.28	0.00	0.27	5.42
2015	1.47	0.42	0.00	3.24	0.00	0.27	5.41
2016	1.51	0.43	0.00	3.20	0.00	0.27	5.41
2017	1.53	0.43	0.00	3.15	0.00	0.27	5.39

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent

potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Commercial Core Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges			Total	
	Commodity	Transport	ITCS	Margin	Pitco/Popco Regulator		
	y				y		
1990						6.61	
1991						6.13	
1992						6.67	
1993						6.87	
1994						6.71	
1995						6.32	
1996						6.24	
1997	2.08	0.23	0.03	3.70	0.00	0.12	6.16
1998	1.58	0.26	0.03	3.67	0.00	0.12	5.66
1999	1.11	0.27	0.03	3.69	0.00	0.12	5.22
2000	1.13	0.29	0.03	3.67	0.00	0.12	5.24
2001	1.15	0.31	0.03	3.67	0.00	0.12	5.28
2002	1.19	0.30	0.02	3.48	0.00	0.12	5.11
2003	1.22	0.32	0.02	3.49	0.00	0.12	5.16
2004	1.24	0.33	0.01	3.41	0.00	0.12	5.12
2005	1.26	0.35	0.01	3.39	0.00	0.12	5.13
2006	1.28	0.36	0.01	3.29	0.00	0.12	5.06
2007	1.30	0.41	0.00	3.22	0.00	0.12	5.05
2008	1.32	0.42	0.00	3.14	0.00	0.12	5.00
2009	1.34	0.43	0.00	3.11	0.00	0.12	5.00
2010	1.36	0.40	0.00	3.06	0.00	0.12	4.95
2011	1.39	0.41	0.00	3.00	0.00	0.12	4.91
2012	1.41	0.41	0.00	2.95	0.00	0.12	4.89
2013	1.43	0.42	0.00	2.90	0.00	0.12	4.86
2014	1.45	0.42	0.00	2.86	0.00	0.12	4.85
2015	1.47	0.42	0.00	2.83	0.00	0.12	4.85
2016	1.51	0.43	0.00	2.79	0.00	0.12	4.84
2017	1.53	0.43	0.00	2.75	0.00	0.12	4.83

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Industrial Core Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges				Total
	Commodity	Transport	ITCS	Margin	Pitco/Popco	Regulatory	
y							
1990							6.40
1991							6.13
1992							6.67
1993							6.44
1994							5.53
1995							5.31
1996							5.00
1997	2.08	0.23	0.03	2.23	0.00	0.12	4.70
1998	1.58	0.26	0.03	2.21	0.00	0.12	4.21
1999	1.11	0.27	0.03	2.23	0.00	0.12	3.76
2000	1.13	0.29	0.03	2.21	0.00	0.12	3.79
2001	1.15	0.31	0.03	2.22	0.00	0.12	3.83
2002	1.19	0.30	0.02	2.10	0.00	0.12	3.74
2003	1.22	0.32	0.02	2.10	0.00	0.12	3.78
2004	1.24	0.33	0.01	2.06	0.00	0.12	3.77
2005	1.26	0.35	0.01	2.05	0.00	0.12	3.78
2006	1.28	0.36	0.01	1.99	0.00	0.12	3.75
2007	1.30	0.41	0.00	1.94	0.00	0.12	3.77
2008	1.32	0.42	0.00	1.90	0.00	0.12	3.76
2009	1.34	0.43	0.00	1.88	0.00	0.12	3.77
2010	1.36	0.40	0.00	1.85	0.00	0.12	3.73
2011	1.39	0.41	0.00	1.81	0.00	0.12	3.72
2012	1.41	0.41	0.00	1.78	0.00	0.12	3.72
2013	1.43	0.42	0.00	1.75	0.00	0.12	3.71
2014	1.45	0.42	0.00	1.73	0.00	0.12	3.71
2015	1.47	0.42	0.00	1.71	0.00	0.12	3.72
2016	1.51	0.43	0.00	1.69	0.00	0.12	3.74

2017	1.53	0.43	0.00	1.66	0.00	0.12	3.74
-------------	------	------	------	------	------	------	------

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Commercial Noncore Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges			Total	
	Commodity	Transport	ITCS	Margin	Pitco/Popco		
1990						4.41	
1991						3.88	
1992						4.02	
1993						3.81	
1994						3.60	
1995						2.71	
1996						3.00	
1997	2.08	0.23	0.15	0.81	0.00	0.03	3.30
1998	1.58	0.26	0.14	0.79	0.00	0.03	2.81
1999	1.11	0.27	0.10	0.78	0.00	0.03	2.29
2000	1.13	0.29	0.03	0.78	0.00	0.03	2.26
2001	1.15	0.31	0.03	0.78	0.00	0.03	2.30
2002	1.19	0.30	0.02	0.78	0.00	0.03	2.33
2003	1.22	0.32	0.02	0.77	0.00	0.03	2.36
2004	1.24	0.33	0.01	0.76	0.00	0.03	2.38
2005	1.26	0.35	0.01	0.75	0.00	0.03	2.40
2006	1.28	0.36	0.01	0.74	0.00	0.03	2.41
2007	1.30	0.41	0.00	0.72	0.00	0.03	2.47
2008	1.32	0.42	0.00	0.71	0.00	0.03	2.48
2009	1.34	0.43	0.00	0.70	0.00	0.03	2.50
2010	1.36	0.40	0.00	0.69	0.00	0.03	2.48
2011	1.39	0.41	0.00	0.68	0.00	0.03	2.50
2012	1.41	0.41	0.00	0.67	0.00	0.03	2.52
2013	1.43	0.42	0.00	0.66	0.00	0.03	2.53
2014	1.45	0.42	0.00	0.65	0.00	0.03	2.55

2015	1.47	0.42	0.00	0.64	0.00	0.03	2.57
2016	1.51	0.43	0.00	0.63	0.00	0.03	2.60
2017	1.53	0.43	0.00	0.62	0.00	0.03	2.62

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Commercial Noncore Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges				Total
	Commodity	Transport	ITCS	Margin	Pitco/Popco	Regulatory	
1990							4.41
1991							3.88
1992							4.02
1993							3.96
1994							3.90
1995							2.74
1996							3.02
1997	2.08	0.23	0.15	0.81	0.00	0.03	3.30
1998	1.58	0.26	0.14	0.79	0.00	0.03	2.81
1999	1.11	0.27	0.10	0.78	0.00	0.03	2.29
2000	1.13	0.29	0.03	0.78	0.00	0.03	2.26
2001	1.15	0.31	0.03	0.78	0.00	0.03	2.30
2002	1.19	0.30	0.02	0.78	0.00	0.03	2.33
2003	1.22	0.32	0.02	0.77	0.00	0.03	2.36
2004	1.24	0.33	0.01	0.76	0.00	0.03	2.38
2005	1.26	0.35	0.01	0.75	0.00	0.03	2.40
2006	1.28	0.36	0.01	0.74	0.00	0.03	2.41
2007	1.30	0.41	0.00	0.72	0.00	0.03	2.47
2008	1.32	0.42	0.00	0.71	0.00	0.03	2.48
2009	1.34	0.43	0.00	0.70	0.00	0.03	2.50
2010	1.36	0.40	0.00	0.69	0.00	0.03	2.48
2011	1.39	0.41	0.00	0.68	0.00	0.03	2.50
2012	1.41	0.41	0.00	0.67	0.00	0.03	2.52
2013	1.43	0.42	0.00	0.66	0.00	0.03	2.53

2014	1.45	0.42	0.00	0.65	0.00	0.03	2.55
2015	1.47	0.42	0.00	0.64	0.00	0.03	2.57
2016	1.51	0.43	0.00	0.63	0.00	0.03	2.60
2017	1.53	0.43	0.00	0.62	0.00	0.03	2.62

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Cogen Noncore Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges				Total
	Commodity	Transport	ITCS	Margin	Pitco/Popco	Regulator	
1990							3.71
1991							3.25
1992							3.20
1993							3.33
1994							3.04
1995							2.18
1996							2.53
1997	2.08	0.23	0.15	0.49	0.00	0.10	3.05
1998	1.58	0.26	0.14	0.54	0.00	0.10	2.63
1999	1.11	0.27	0.10	0.49	0.00	0.10	2.07
2000	1.13	0.29	0.03	0.50	0.00	0.10	2.05
2001	1.15	0.31	0.03	0.50	0.00	0.10	2.09
2002	1.19	0.30	0.02	0.49	0.00	0.10	2.12
2003	1.22	0.32	0.02	0.47	0.00	0.10	2.13
2004	1.24	0.33	0.01	0.47	0.00	0.10	2.16
2005	1.26	0.35	0.01	0.46	0.00	0.10	2.18
2006	1.28	0.36	0.01	0.45	0.00	0.10	2.20
2007	1.30	0.41	0.00	0.44	0.00	0.10	2.26
2008	1.32	0.42	0.00	0.43	0.00	0.10	2.28
2009	1.34	0.43	0.00	0.42	0.00	0.10	2.30
2010	1.36	0.40	0.00	0.42	0.00	0.10	2.29
2011	1.39	0.41	0.00	0.41	0.00	0.10	2.31

2012	1.41	0.41	0.00	0.40	0.00	0.10	2.32
2013	1.43	0.42	0.00	0.40	0.00	0.10	2.34
2014	1.45	0.42	0.00	0.39	0.00	0.10	2.36
2015	1.47	0.42	0.00	0.39	0.00	0.10	2.38
2016	1.51	0.43	0.00	0.38	0.00	0.10	2.42
2017	1.53	0.43	0.00	0.38	0.00	0.10	2.44

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Electricity Generation Noncore Natural Gas Price Forecast**

1995 \$ per mcf

Year	Interstate Charges		SDG&E Instate Charges				Total
	Commodity	Transport	ITCS	Margin	Pitco/Popco	Regulatory	
1990							3.71
1991							3.25
1992							3.20
1993							3.33
1994							3.04
1995							2.18
1996							2.53
1997	2.08	0.23	0.15	0.49	0.00	0.10	3.05
1998	1.58	0.26	0.14	0.54	0.00	0.10	2.63
1999	1.11	0.27	0.10	0.49	0.00	0.10	2.07
2000	1.13	0.29	0.03	0.50	0.00	0.10	2.05
2001	1.15	0.31	0.03	0.50	0.00	0.10	2.08
2002	1.19	0.30	0.02	0.49	0.00	0.10	2.11
2003	1.22	0.32	0.02	0.47	0.00	0.10	2.13
2004	1.24	0.33	0.01	0.47	0.00	0.10	2.16
2005	1.26	0.35	0.01	0.46	0.00	0.10	2.18
2006	1.28	0.36	0.01	0.45	0.00	0.10	2.20
2007	1.30	0.41	0.00	0.44	0.00	0.10	2.25
2008	1.32	0.42	0.00	0.43	0.00	0.10	2.27
2009	1.34	0.43	0.00	0.42	0.00	0.10	2.29
2010	1.36	0.40	0.00	0.42	0.00	0.10	2.28

2011	1.39	0.41	0.00	0.41	0.00	0.10	2.30
2012	1.41	0.41	0.00	0.40	0.00	0.10	2.32
2013	1.43	0.42	0.00	0.40	0.00	0.10	2.34
2014	1.45	0.42	0.00	0.39	0.00	0.10	2.36
2015	1.47	0.42	0.00	0.39	0.00	0.10	2.38
2016	1.51	0.43	0.00	0.38	0.00	0.10	2.41
2017	1.53	0.43	0.00	0.38	0.00	0.10	2.44

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Electricity Generation Gas Price Forecast**

1995 \$ per mmBtu

Year	Commodity	Transportation		Total Price
		Interstate	Intrastate	
1990			2.11	3.60
1991			2.03	3.16
1992			2.10	3.10
1993			2.12	3.24
1994			2.09	2.98
1995			2.09	2.14
1996			1.39	2.50
1997	2.03	0.22	0.72	2.98
1998	1.54	0.26	0.77	2.56
1999	1.08	0.26	0.68	2.02
2000	1.10	0.28	0.62	2.00
2001	1.13	0.30	0.61	2.03
2002	1.16	0.30	0.60	2.06
2003	1.19	0.31	0.58	2.08
2004	1.21	0.33	0.57	2.10
2005	1.23	0.34	0.56	2.13
2006	1.25	0.35	0.55	2.14
2007	1.26	0.40	0.53	2.20
2008	1.29	0.41	0.52	2.22
2009	1.31	0.42	0.51	2.24
2010	1.33	0.39	0.51	2.23

2011	1.35	0.40	0.50	2.25
2012	1.37	0.40	0.49	2.26
2013	1.39	0.41	0.48	2.28
2014	1.41	0.41	0.48	2.30
2015	1.44	0.41	0.47	2.32
2016	1.47	0.42	0.47	2.35
2017	1.49	0.42	0.46	2.38

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998

**SDG&E Service Area
Low Price Case
Electricity Generation Gas Price Forecast**

Nominal \$ per mmBtu

Year	Commodity	Electricity Generation		Total Price	Cogen Gas Price
		Transportation	Interstate Intradate		
1990			1.84	3.13	3.13
1991			1.83	2.86	2.86
1992			1.95	2.88	2.88
1993			2.02	3.09	3.09
1994			2.04	2.90	2.90
1995			2.09	2.14	2.14
1996			1.42	2.55	2.55
1997	2.11	0.23	0.75	3.09	3.09
1998	1.64	0.27	0.82	2.72	2.72
1999	1.18	0.28	0.74	2.20	2.20
2000	1.23	0.32	0.69	2.24	2.24
2001	1.30	0.34	0.70	2.34	2.34
2002	1.38	0.35	0.71	2.44	2.44
2003	1.45	0.38	0.71	2.53	2.53
2004	1.52	0.41	0.72	2.65	2.65
2005	1.60	0.44	0.73	2.77	2.77
2006	1.68	0.47	0.74	2.89	2.89
2007	1.76	0.56	0.74	3.06	3.06
2008	1.86	0.60	0.75	3.20	3.20

2009	1.95	0.63	0.76	3.35	3.35
2010	2.06	0.61	0.78	3.45	3.45
2011	2.17	0.64	0.80	3.60	3.60
2012	2.28	0.67	0.82	3.76	3.76
2013	2.40	0.70	0.83	3.93	3.93
2014	2.52	0.73	0.85	4.10	4.10
2015	2.65	0.76	0.87	4.29	4.29
2016	2.81	0.79	0.90	4.50	4.50
2017	2.96	0.83	0.92	4.71	4.71

The Low Price Case was prepared by the California Energy Commission for the **1997 Fuels Report** to represent an extreme outlook of long term natural gas price and supply. The results represent potential outcomes that could occur at a given time, but could not be sustainable through the forecast period.

March 18, 1998